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APPROVED BY COMMISSION

) APRIL 2, 1999

Notice of Inquiry) A. Quincy Vale, Hearing Officer

Unbundling of Natural Gas) D.T.E. 98-32

Local Distribution Company Services)

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JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

The ten investor-owned local distribution companies (the "LDCs"), (1) energy marketers (the "Marketers"), (2) the Attorney General of the Commonwealth of Massachusetts (the "Attorney General"), Associated Industries of Massachusetts ("AIM"), the Division of Energy Resources ("DOER"), and The Energy Consortium ("TEC") (collectively, the "Settling Parties"), jointly move pursuant to 220 C.M.R. § 1.04(5) for approval of the Settlement Agreement (the "Settlement Agreement") filed herewith. The Settlement Agreement seeks to resolve certain issues, as specified herein, relating to the mandatory assignment of capacity to customers in accordance with the Department's Order of February 1, 1999 (D.T.E. 98-32-B) (the "Order"). Specifically, this Settlement Agreement is intended to address and resolve issues concerning the identification of customers who will be included in the mandatory capacity-assignment programs to be implemented by the LDCs pursuant to the Order. This Settlement Agreement does not address issues relating to the final policies and terms and conditions that will enable customers to access the resource portfolios of the LDCs. Specifically, this Settlement Agreement does not address, and therefore leaves for subsequent negotiations within the Massachusetts Gas Unbundling Collaborative (the "Collaborative"), issues relating to: (1) the development of terms and conditions for mandatory assignment of upstream capacity to sales customers electing transportation service on or after November 1, 1999; (2) the terms and conditions for the "virtual assignment" of the LDCs' downstream supplemental resources and related issues; and (3) the terms and conditions for interruptible transportation.

Approval of the Settlement Agreement by the Department of Telecommunications and Energy (the "Department") will provide a transition to bridge the gap between existing transportation tariffs and transportation tariffs that will implement the Department's Order. This transition mechanism will enable the Settling Parties: (i) to move forward to comply with the Department's Order with regard to the establishment of a mandatory capacity-assignment program and the LDCs' continuing obligation to provide reliable, least-cost service; and (ii) to meet the Department's objective of providing customer choice to all customers.

Since existing transportation customers and their competitive suppliers require a level of certainty as to their status with regard to the establishment of a mandatory capacity-assignment program in order to continue ongoing service and sales activities in the Commonwealth during the interim period between the date of the Order, February 1, 1999, and the date on which new implementation tariffs and terms and conditions will become effective, which is currently estimated as November 1, 1999, the Settling Parties respectfully request expedited treatment of the Settlement Agreement by the Department. As indicated in section 5.2 of the Settlement Agreement, the Settlement Agreement will be deemed withdrawn if not approved by Friday, April 2, 1999. The Settling Parties respectfully request that the Department issue its determination on the proposed Settlement Agreement within that time frame so as to provide certainty for the gas market in the Commonwealth and to facilitate efforts within the Massachusetts Gas Unbundling Collaborative to develop the terms and conditions necessary to implement customer choice on a

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statewide basis.

WHEREFORE, the Settling Parties request the Department to grant this Joint Motion for Approval of the Settlement Agreement.

Respectfully submitted,

Bay State Gas Company

The Berkshire Gas Company

Blackstone Gas Company

Boston Gas Company

Colonial Gas Company

Commonwealth Gas Company

Essex Gas Company

Fall River Gas Company

Fitchburg Gas and Electric Light Company Commonwealth of Massachusetts

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1 Bay State Gas Company, The Berkshire Gas Company, Blackstone Gas Company, Boston Gas Company, Colonial Gas Company, Commonwealth Gas Company, Essex Gas Company, Fall River Gas Company, Fitchburg Gas and Electric Light Company and North Attleboro Gas Company.

2.

2 The Marketers are: AllEnergy Marketing Company, L.L.C., Conectiv/CNE Energy Services, L.L.C., EnergyRebate, Inc.; EnergyEXPRESS, Inc., Enron Energy Services Inc., Enserch Energy Services, Inc., eprime d/b/a Texas Ohio Gas, Providence Energy Services, Statoil Energy, Inc., Select Energy, Inc., and Supreme Energy.